

**SCHEDULE OF PROPOSED CHANGES TO THE CONSTITUTION**  
**PART 3F (FINANCIAL PROCEDURE RULES)**

As Stated	Amendments requested
<p>10.9 Land and property acquisition and disposals – disposals Section 123 of the Local Government Act 1972 provides guidance on a definition to the effect that disposal of property can be considered to be a disposal if it consists of:</p> <ul style="list-style-type: none"> <li>• Freehold transfer</li> <li>• A grant of a term exceeding seven years</li> <li>• The assignment of a term which, at the date of the assignment, has more than seven</li> <li>• years to run.</li> </ul> <p>10.10 Land and property acquisition and disposals - minor disposals A minor disposal is where the sale price or value of the asset does not exceed £10,000, or in the case of land, £25,000. In the case of minor disposals, the Estates and Asset Manager is responsible for the disposal of its property assets in accordance with this policy.</p> <p>A minor disposal generally arises when an application is received from adjacent or neighbouring owner(s) to purchase the freehold or leasehold interest of a small or inconsequential area of land in the council's ownership. It is permissible, with the agreement of the S151 Officer, to open 'confined' negotiations with them where:</p> <ul style="list-style-type: none"> <li>• The land is surplus to requirements as identified in the acquisition and disposal strategy</li> <li>• The land has no development value or open market opportunity and</li> <li>• Has a market value of less than £10,000</li> <li>• Or it is with the adjacent or neighbouring owner in order to achieve the most advantageous financial or economic result, for example if the land is 'land locked' or is difficult or expensive to maintain and</li> <li>• There may be circumstances where it is in the council's</li> </ul>	<p>10.9 Land and property acquisition and disposals – disposals Section 123 of the Local Government Act 1972 provides guidance on a definition to the effect that disposal of property can be considered to be a disposal if it consists of:</p> <ul style="list-style-type: none"> <li>• Freehold transfer</li> <li>• A grant of a term exceeding seven years</li> <li>• The assignment of a term which, at the date of the assignment, has more than seven</li> <li>• years to run.</li> </ul> <p>10.10 Land and property acquisition and disposals - minor disposals A minor disposal is where the sale price or value of the asset does not exceed <b>£100,000</b>. In the case of minor disposals, the Estates and Asset Manager is responsible for the disposal of property assets in accordance with this policy.</p> <p><del>A minor disposal generally arises when an application is received from adjacent or neighbouring owner(s) to purchase the freehold or leasehold interest of a small or inconsequential area of land in the council's ownership. It is permissible, with the agreement of the S151 Officer, to open 'confined' negotiations with them where:</del></p> <ul style="list-style-type: none"> <li>• <del>The land is surplus to requirements as identified in the acquisition and disposal strategy</del></li> <li>• <del>The land has no development value or open market opportunity and</del></li> <li>• <del>Has a market value of less than £10,000</del></li> <li>• <del>Or it is with the adjacent or neighbouring owner in order to achieve the most advantageous financial or economic result, for example if the land is 'land locked' or is difficult or expensive to maintain and</del></li> <li>• <del>There may be circumstances where it is in the council's</del></li> </ul>

interest to initiate a minor disposal, for example land surplus to requirements, or for reasons of good estate management.

10.11 Land and property acquisition and disposals - major disposals

10.12 A major disposal is any disposal not covered by the minor disposal definition above. All major disposals have to be reported to SLT prior to the disposal taking place. When a property has been identified as surplus to the requirements of the council, the Corporate Property Officer should be notified. If the asset is not identified as a key disposal under the acquisition and disposal strategy, it should be processed by the asset management service to ascertain the value of sale. On successful completion of this process, the Corporate Property Officer may seek Executive approval to it being declared surplus and add the record to the acquisition and disposal strategy for an appropriate programmed sale. Detailed guidance on land and property disposal can be found in the council's adopted disposal policy.

10.13 Land and property acquisition and disposals - delegated powers of disposal  
Delegated powers of disposal are considered separately and are subject to the council's constitution.

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10.13 Land and property acquisition and disposals - delegated powers of acquisition and disposal.

10.14 Sale or purchase of land or buildings is controlled annually via Council's approval of the Capital Programme. For changes during the financial year to the capital programme the following delegated powers apply

Delegation of powers for acquisition and disposals below or equal to £100,000:

- Up to £25,000, Section 151 (Annual aggregate limit £100,000)
- Up to £50,000, Section 151 Officer in conjunction with Chief Executive (Annual aggregate limit £200,000)
- Up to £100,000, Section 151, SLT and the Executive member for Finance (Annual aggregate limit £400,000)

Delegation of powers for acquisition over £100,000:

- Up to £2,000,000, Section 151, SLT, Corporate Property Officer, Executive Member lead and Executive Member for Finance (Annual aggregate limit £2,000,000)
- All acquisitions over £2,000,000 will require Council approval.

Delegation of powers for disposals over £100,000:

- The Corporate Property Officer, in consultation with the Asset Strategy & Regeneration Group will have to recommend approval for all disposals over £100,000
- Up to £200,000, Executive approval required
- All disposals over £200,000 will be subject to approval by the Council.

Where projects in the Capital Programme or variations are made, resources will need to have been identified, as available or becoming available. No financial commitments will be entered into on these projects unless resources are confirmed as being available to the satisfaction of the Director of Corporate Services, Section 151 Officer and Council member with responsibility for Finance.

All variations over £50,000 to the capital programme will be reported to Scrutiny and the Full Council.

**Reason for change:**

(1) levels not amended for a significant period and now out of alignment with current market conditions,

(2) to enable more responsive decision making to take advantage of opportunities as they arise in a timely manner. In particular, this could be used for the purchase of income generating assets that come onto the market and require a quick action to secure.

Examples that have arisen in year are industrial unit sites that have been noted as being auctioned in a period our current procedures would have struggled to cope with.

2.8 Revenue budgets - variations	<p>2.8 Revenue budgets – variations</p> <p>Variation up to £1,000:</p> <ul style="list-style-type: none"><li>• Directors on codes relating to their own directorate can approve virements and supplementary budgets to a maximum of £20,000 per year in aggregate for their own directorate. (Virements between the general Fund and HRA are not allowed).</li><li>• <b>Reason for change:</b> supplementary discretion accidentally removed on last constitution update.</li></ul>
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